

2004 STATE OF THE STATE ADDRESS

Governor Bob Holden

92nd General Assembly, Second Regular Session

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Mr. President, Madame Speaker, Mr. President Pro Tem, Distinguished State Officials, Mr. Chief Justice, Honored Members of the Missouri Supreme Court, Members of the 92nd General Assembly, First Lady Lori Hauser Holden, and Citizens of the State of Missouri:

I come before you today to discuss the state of our state ... and to reflect on the state of state government and the state of bipartisanship in Missouri.

At a time of great challenge for our nation, both here and abroad, we in Missouri have seen our share of hardship and sacrifice. A great number of our citizens have left home and family in the service of our country, including the brave volunteers who serve in Missouri's National Guard.

That is why I think it's important today to begin with a remembrance of those Missouri citizens who have fallen during Operations Enduring Freedom and Iraqi Freedom. Their sacrifice is a reminder that here in the safety of our capital city, our disagreements should never be characterized as battles, but rather as the actions of a democracy that these soldiers gave their lives defending. And we are forever in their solemn debt.

These are the names of our fallen servicemen, and I'd like to follow this reading with a moment of silence in their honor:

Specialist Jonathan Barnes from Anderson, Missouri. 21 years old.

Sergeant Michael Barry from Kansas City, Missouri. 29 years old.

Specialist Joel Bertoldie from Independence, Missouri. 20 years old.

Sergeant Travis Burkhardt from Edina, Missouri. 26 years old.

Second Lieutenant Benjamin J. Colgan from Aurora, Missouri. 30 years old.

Aviation Electrician's Mate Samuel Patrick Cox from Kansas City, Missouri. 21 years old.

Private First Class Jesse Givens from Springfield, Missouri. 34 years old.

Sergeant Nicolas Hodson from Smithville, Missouri. 22 years old.

Staff Sergeant Jamie Huggins of Hume, Missouri. 26 years old.

Technical Sergeant William Kerwood from Houston, Missouri. 37 years old.

Staff Sergeant Daniel L. Kisling, Jr. of Neosho, Missouri. 31 years old.

Specialist Joshua Neusche from Montreal, Missouri. 20 years old.

Captain Benedict Smith from Monroe City, Missouri. 29 years old.

Private First Class Jeremiah Smith from Odessa, Missouri. 25 years old.

Staff Sergeant Robert Anthony Stever from Springfield, Missouri. 38 years old.

Sergeant Philip J. Svitak of Joplin, Missouri. 31 years old.

Private First Class Adam L. Thomas from LaPlata, Missouri. 21 years old.

And Sergeant Donald Walters from Kansas City, Missouri. 33 years old.

It is with a heavy heart that we remember these young men of Missouri...some of our finest. And we are humbled by their bravery.

For those of us in this chamber, let us respect their sacrifice by putting our own disagreements in proper perspective. In the heat of political debate, it is not uncommon to hear the language of war.

As if partisan politics could be compared to the ultimate sacrifice on a battlefield. It can't. And all of us know that. I call upon each and every one of us to begin anew to put reason before rancor and to recognize just how fortunate we all are.

Let us look to the families of these heroic soldiers, gathered here in our gallery. We honor you and pledge our unrelenting efforts for shared progress for every citizen of Missouri.

As we head into this new year, we face many difficult questions. But as many of you know, I am an optimistic man.

It is my nature to see the good in people and to seek common ground on difficult questions. So before I address the challenges ahead, let's take a moment to look at the health of our state and the growing strength of our economy.

At a time when our nation is just beginning to emerge from one of the darkest recessions in memory, Missouri is in sound economic condition.

Missouri has a long history in aviation and the airline industry, and our state suffered more than its share of lost airline jobs in the wake of September 11th. But in spite of this setback, our unemployment rate has remained below the national average.

In fact, we have more new businesses than ever before, and we've created a net gain of 30,000 new jobs since my last State of the State address. The rest of the country is losing jobs 220,000 net lost jobs last year alone.

But we created more jobs in Missouri last year than all but seven states. And, in fact, we created more jobs than any of our surrounding states. We are bucking the national trend, and it's something we should all take great pride in achieving.

Out of all fifty states, we rank fifth in productivity, twelfth for small business startups and we're one of only seven states with a TripleA bond rating a significant measure of our state's fiscal health and potential, and of our stewardship of state government.

These have been difficult times. But in the middle of our state's name is the word "our." Not "mine," not "yours," but "our" as in "our" strength and "our" people. Together, we're all rising above tough times. There

have been important issues where we have been able to find common ground.

Support and respect for our veterans is one such example. We should take great pride in the new 200 bed veteran's home in Mt. Vernon and the new wing at the St. Louis Veterans Home, which is nearing completion.

We have also completed two new veterans cemeteries, bringing the total to four. And the Veterans Task Force, created with the help of Lt. Governor Joe Maxwell, has assisted in our efforts to launch one of the most aggressive veterans outreach programs in state history. We've helped over 2,000 veterans receive benefits they didn't know they were entitled to. To me, it's the true fulfillment of public service to be able to give full honors and benefits to those who've served our country.

Working to protect Missouri jobs and support Missouri workers is another important accomplishment of the past year, and I salute everyone in this chamber who has played a role. Speaker Hanaway and President Pro Tem Kinder, we could not have kept the Ford Hazelwood plant in our state without a united effort, and I'm grateful for all that you did in joining me to help protect those 2,600 highpaying jobs.

But in the end, we must also recognize that Ford would not have stayed in Missouri if our workers did not warrant their confidence. Those who work the line held the line.

On the other side of our state, in Kansas City, H&R Block is building their new world headquarters, making a long term commitment to Kansas City and keeping nearly two thousand jobs instate.

We protected the American Airlines overhaul base and their 1,700 jobs.

And we just recently received word that Ford will build the first hybrid Escape at their Claycomo plant, helping to secure the jobs of 5,500 Missouri autoworkers.

These American Airlines and Ford jobs, in particular, make another important point. Whether it's ensuring the safety of air travelers, or helping build the next generation of environmentally sound vehicles, Missouri workers are entrusted with the safety of families both in the air and on the ground, and there's no one I trust more with the future of Missouri's economy.

There are a number of examples of businesses starting in Missouri, staying in Missouri, or looking to move to Missouri. But I also realize that for a recently laid off worker, these stories of success offer little comfort at a difficult time. But know that as your Governor, I will continue to work tirelessly to strengthen our economy and create 21st century jobs that build on our native strengths and diversity here in Missouri.

That's why, today, I am calling on the Missouri General Assembly to pass my 2004 Jobs Now plan. By eliminating three outdated tax credits and redirecting the savings to local infrastructure projects, we can put the new revenue to work by putting Missourians to work.

The Jobs Now plan would answer critical needs in our local communities, including waste water systems, industrial parks, and broadband telecommunication systems. It would redirect existing revenue, leverage nonstate investments, and is costneutral to the budget. Many of these projects are ready to go. Let's pass the Jobs Now plan and get them started.

The future of our state's economy also rests on the promise of new energy and new technologies. By energy, I mean a renewed commitment to ethanol that helps both our cornproducing farmers and our energyconsuming citizens.

And by new technologies, I mean the development of life sciences in both our business and academic communities. Energy and technology can lift up both urban and rural Missouri together.

And as all of you know, this son of Birch Tree believes there's no point in reaching the new frontier if half the family is left behind. That's why I'm proud to announce today a bipartisan effort to fully fund our state's ethanol program.

By working to expand the world market for ethanol and to support our state's ethanol production, we can not only strengthen our farming communities, we can also improve the environment and help lessen our country's dependence on Persian Gulf oil.

Our farmers may have never thought of themselves as having a role in Middle East politics, but let me say this instead of turning swords into plowshares, we can use plowshares to force down the swords of war. Lowering demand for Persian Gulf oil and removing our soldiers from this cauldron of conflict should be a national imperative, and Missouri farmers can help lead the way.

We are also uniquely positioned in the Midwest to be the leader in developing industrial applications for life sciences. We have a top notch university system at the center of the world's most fertile cropland.

We are home to over one hundred life sciences companies already, placing us in the top third of all states. And, in fact, the Biobased Manufacturers Association just moved their headquarters from Memphis to St. Louis. They wanted to be closer to what we call the heart of the BioBelt.

Whether it's pharmaceuticals, biotechnology, or medical research life science technologies will create the jobs of tomorrow. And I want Missouri to be...not just the gateway to the West...but also the gateway to the future.

But how do we get there? Community leaders throughout Missouri have all told me the same thing. And I'm certain all of you have heard this message as well.

Whether it's a hospital administrator in St. Joseph, a tool and dye manufacturer in Lee's Summit, a printer in St. Charles, or the owner of a garage in any town in Missouri they're all saying the same thing.

"Good schools are critical to the success of our business. We need educated workers or we can't compete."

One of those garage owners made the point very clearly. He said: "If you don't believe I need workers with a good education, just lift the hood of your car and look at the engine."

Manufacturers choose communities with an educated workforce. Young doctors and other professionals establish their practices and begin their families in towns with good schools. And companies transferring their workers look for the best schools for their workers' children.

As I've traveled the country promoting Missouri and some of you have been with me in many of those meetings wherever we go, we're asked about the quality of our schools and the abilities of our workforce.

In fact, one plant manager in Hannibal told me that his company decides where to expand based largely upon the quality of an area's community college. Our people should take a backseat to no one...I'm proud of our citizens, and I know you are, too. We should never sell their talents short.

But unfortunately...and you knew I was coming to this...last year the talents of our people were indeed sold short.

For the first time in the history of our state, this legislature cut the total education budget by hundreds of millions of dollars and endangered the futures of countless children. Over the last decade, we had been investing in our public schools and getting results.

Our eighth grade students are above the national average in math skills, we have made significant gains in reading proficiency, our ACT scores continue to rise, and we have 176 schools of distinction when measured on our scale of tough standards. More of our students are taking a rigorous curriculum, we've more than doubled the number of nationally certified teachers, and our schools are being held accountable with school report cards.

But after a decade of investment and progress, you passed last year's education cuts twice over my veto with a great flourish of bravado. If last year's education cuts are allowed to stand, all of these gains are in great jeopardy.

There is nothing moral in raising standards and expectations at a struggling school, only to deny the necessary funding. Look at this through a child's eyes first we encouraged them to dream, then you denied them the means. That's not bravado. That's just cruel.

Those of you on the other side of the aisle chose to defend tax breaks for corporations at the expense of our children's education. And we're already seeing the consequences of your actions.

College tuition is up as much as 20 percent. One thousand four hundred teachers have lost their jobs. Some kindergarten classes have over 30 students, and alternative schools for disruptive students are being shut down. This, of course, leads to more disruption in the classroom and higher dropout rates.

Some of you obviously think there is courage in cutting education funding. But where is the courage in merely shifting the burden onto local property owners?

Where is the courage in forcing your local constituents to raise property taxes to make up the difference?

And where is the courage in siding with gambling and tobacco interests over the welfare of our children in public schools?

Your failure to meet your constitutional obligations has caused the courts to be dragged back into Missouri schools.

Many of you preach the politics of less government. Well, you brought the courts into our classrooms. It's time you take responsibility and help get the lawyers and the lawsuits out.

Let us be frank and realistic about public school funding. Your approach will have the consequence of forcing local property tax increases.

Some in this chamber may live in communities of great means. And as you look out the windows of your home, a small increase in property taxes may not seem like much of a sacrifice. But you are wrong. Every community has those on the margins who are barely surviving who can hardly afford the property taxes they already pay. Maybe you can't see them from your front window, but they exist all the same.

Many communities will never be able to increase property taxes enough to make up for last year's education cuts.

The ultimate end of your abdication of duty is starvation and consolidation. By starving local communities of education funding, you leave some with no other choice but to shut down schools and deprive those children of opportunity.

You may not see these children from the comfort of your front window. But they exist all the same.

And finally, there are seniors throughout Missouri who cannot afford higher property taxes, even though their

hearts are with our schools. They, like my parents and some of yours, sacrificed their entire lives to provide their children with a college education. Often it was an education that they themselves never had.

You may never see these seniors from your window. But they exist all the same. You have asked in this chamber before "what part of 'No' do I not understand?"

Well, I say in return that I will never understand doing real and lasting harm to our children and seniors. I believe our citizens deserve better than that.

Last year, we disagreed on whether Missouri had a spending problem or a revenue problem. Let's not have that disagreement again. Throughout my years as Governor, I have worked to control spending. I have cut more than 3,000 jobs from state government and over \$1.2 billion in government spending...more than any other Governor in Missouri history.

Missouri is not a free spending state. In fact, we rank 46th in per capita spending and 49th in the average salary of our government employees.

During last year's budget debate, I accepted every cut you put forward, and still you could not provide me with a balanced budget without devastating education. You cut all the fat you could find, so cutting was clearly not the entire solution.

This year, I will continue my efforts to reduce waste and improve government efficiency. In fact, I have identified another \$100 million in program and service reductions that are part of my overall plan to balance our budget.

But the essence of our problem is unchanged. Yes, we have reached agreement on projected revenues for next year. But they won't be near enough to repair the damage that you have done to Missouri schools.

If we are to meet our responsibilities to educate our children, we will need additional revenue through the least painful means. I will not rest until we have restored the funding you cut from schools in this state. If you thought this issue was settled, think again.

You already know my plan to raise revenue....increasing the cigarette tax and casino taxes, closing corporate loopholes, and placing a small surcharge on the income tax of the wealthiest 1.4 percent of Missourians.

You've heard my plan before. And you have spoken. But the vast majority of Missourians haven't spoken. Your refusal to allow our citizens to vote on this plan robs them of their voice and of their opportunity to succeed.

I think Missouri is better than that. One way or another, the education cuts you inflicted last year must not stand. I say this not to stand against you...but because I have a duty to stand up for Missouri's children.

By increasing revenues and closing corporate loopholes, we can restore school funding without a general tax increase. We can add the money necessary to improve our foster care system without a general tax increase.

And we can give modest raises to our state workers like those who work in foster care or child abuse prevention. Some have not seen a cost of living increase in three years. Keep in mind our state employees are working people who face the same challenges and needs as any other working person, and they deserve our respect. They are not simply expendable boxes on an organizational chart.

Even those professionals that some of you belittle as "middle management bureaucrats" they keep this

complex operation running, and they protect our citizens. State employees are being asked to do more with less every year.

My budget, while providing additional cuts, does give a slight raise to these hard working Missourians, and believe me, when the lives of our most vulnerable are at stake, keeping our best people on the job is not asking too much.

I believe in looking forward. And that is a part of our shared history in Missouri.

As you know, I often speak in these State of the State addresses from the perspective of history. And this year, we celebrate one of our country's most historic events the two hundredth anniversary of Lewis and Clark's incredible journey. Their exploration of the Missouri River is a truly inspiring tale of heroism and daring. In spite of many obstacles, they pressed forward on their journey west.

But today, I think it is important to honor the heroes of our time...seemingly ordinary people who perform extraordinary service. The soldiers we honored today knew the dangers of their job. But they got up every day, pressed forward, and faced them anyway.

We will never know the true depth of their courage or their fear, but we do know this we know they will be remembered. And in the memory of those who loved them, they will always be young.

I believe each of us has a calling. For those soldiers, it was defending something larger than themselves.

For our teachers, it's rising to the challenge of shaping our youngest, most vulnerable minds.

For our state workers, it's securing the safety and wellbeing of our citizens.

And for our citizens, it's helping secure a brighter future for generations to come.

For those of us in this chamber, our calling is simple we must work together to move Missouri forward.

This is not a battlefield. It's public service. No more talk of war. Let us talk of getting something done for the people of Missouri.

Thank you, God bless you, and may God bless this great state.



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